

City of Boulder Reserve Policies

Fund	Category	Reserve	Purpose	Current Reserve Policy	Projected Year-End Balance (2001)	Balance to Comply w/Budget Policy	Variance	Comments
General	Emergency/ Stabilization	Emergency Reserve	Reserve is to provide a cushion for revenue shortfalls, emergencies, and for expenditure opportunities.	Based upon GF expenditures less grants: proposed goal is to have a 12% reserve.	\$11,677,000	\$8,342,000	\$3,335,000	Current Reserve policy is being met
	Liability	General Fund - Sick/Vac/ App. Bonus Liability Reserve	The fund was established for liabilities assoc. with accumulated sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities	To facilitate the long-term financial sustainability for the city, the sick/vac/app. Bonus liability shall be fully funded by or before 2007. Interim goal is to fully fund reserve based on TABOR requirements.	\$3,244,338	\$2,889,228	\$355,110	Current interim reserve policy is being met.

		Workers Comp. Reserve	The Workers Comp fund is to be self-insured. The fund was developed to enhance the management of program costs.	To fully fund case loss reserves at the 50% confidence level and rate stabilization reserves at the industry standard reserve/retention of 8 to 1.	\$4,616,424	\$4,616,424	\$0	Current Reserve policy is being met
		Property & Casualty Reserve	The Property & Casualty Reserve will be self-insured. The fund was set up when insurance costs were expected to increase significantly.	Goal is to fully fund an actuarially calculated liability as of end of the prior year at the 50% certainty level plus \$500,000 for current & future year claims.	\$1,083,987	\$1,355,480	(\$271,494)	Staff will be meeting to review policy prior to adoption of final budget.
		Employee Health & Dental Insurance Termination Reserve	Reserve was established to fund termination ("run off") reserve requirement for health and	Reserve sufficient funds for: (a) run-off payment due to insurer upon plan termination;	\$1,265,120	\$1,265,120	\$0	Current reserve policy is being met.

			<p>dental insurance plans with "minimum premium" (partially self-insured) funding structure, used by City's former (Mutual of Omaha) and current (CIGNA) primary insurer.</p>	<p>(b) contingency for claims cost overruns; (c) annual admin fee for current outsourced flex plans (separate from health/dental insrnc); (d) misc program admin costs. During the 2000 budget process, the City Manager recommended that \$250,000 of this reserve be transferred to the General Fund; the year-end 2000 balance reflects this transfer.</p>				
	Replacement	General Fund-Computer Replacement	Reserve was created to level out spending for micro-	Goal is that this fund will cover 80% of the General Fund	\$938,015	\$808,506	\$129,509	Current reserve policy is being met.

		Reserve	computer related hardware and software.	replacement costs by 12/31/00. The remaining 20% will be covered in departmental budgets.				
		Facility Renovation & Replacement Reserve	Fund was created to protect the City investment in facilities.	To protect City investment in buildings, funds shall be budgeted annually for maintenance of such buildings. To extend the life of these assets, the goal over a 20 year period shall be to increase the funds budgeted annually for maintenance of buildings to approximately 2% of the	\$874,308	\$874,308	\$0	Current reserve policy is being met.

				replacement cost.				
		Equipment Replace-ment	Reserve was created to level out spending for replacement of City's equipment. Includes contributions annually from general & non-general funds.	It is the policy of the City of Boulder that all equipment users shall fund the replacement of equipment through contributions to the Equipment Replacement Program (ERP) fund. Annual contributions by unit shall be calculated by Facilities & Asset Management (FAM) and distributed to users during the budget process.	\$2,575,343	\$2,575,343	\$0	Current reserve policy is being met.
Building Services Fund	Emergency /Stabilization	Emergency Reserve	This is an appropriated reserve to fund	Reserve is set at \$25,000.	\$25,000	\$25,000	\$0	Current reserve policy is being met.

			unanticipated operating emergencies.					
	Liability	Sick/Vac/ App. Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	To facilitate the long-term financial sustainability for the city, the sick/vac/app. Bonus liability shall be fully funded by or before 2007. Interim goal is to fully fund reserve based on TABOR requirements.	\$365,000	\$451,971	(\$86,971)	Current reserve policy is being met; this reserve is anticipated to be fully funded by 2003 and then adjusted annually to reflect most recent estimates.
.25 Cent Sales Tax Fund	Liability	Sick/Vac/ App Bonus Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	\$75,969	\$75,969	\$0	Current reserve policy is being met.
Public Safety Fund	Liability	Sick/Vac/ App Bonus Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	\$287,396	\$287,396	\$0	Current reserve policy is being met.

Library Fund	Emergency/ Stabilization	Emergency	Reserve was established to cover emergencies and sick/vac/app bonus liability.	Current reserve policy designates 5% of annual Library revenues for emergencies, and also provides funding for sick/vac/app bonus liability.	\$86,728	\$32,481	\$54,247	Current reserve policy is being met
CHAP Fund	Liability	Sick/Vac/ App. Bonus Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	\$16,402	\$16,402	\$0	Current reserve policy is being met.
Capital Development Fund	Emergency/ Stabilization	Emergency Reserve	Reserve was established to cover emergencies and revenue fluctuations.	Current reserve policy designates \$500,000 to cover the purposes of the fund.	\$703,163	\$500,000	\$203,163	Current reserve policy is being met.
Parks & Recreation Revenue Fund	Emergency/ Stabilization	Emergency Reserve	Reserve is to provide a cushion for revenue shortfalls, emergencies,	Policy is to allow a five year rolling fund balance providing flexibility to	\$50,000	\$50,000	\$0	Current reserve policy is being met.

			and for expenditure opportunities .	annual operations that may be affected by shortfalls in revenue.				
Permanent Parks & Recreation Fund	Liability	Sick/Vac/App. Bonus Liability Reserve	Reserve was established to fund sick/vac/app. bonus liability.	Reserve is to fully cover sick/vac/app. bonus liability.	\$63,676	\$63,676	\$0	Current reserve policy is being met.
Open Space Fund	Emergency /Stabilization	OSBT Contingency Reserve	Reserve was established to cover revenue fluctuations which might impact the Fund's ability to make debt service payments, as well as emergencies related to acquisitions.	Reserve per OSBT is to cover an amount based on outstanding General Obligation and BMPA debt totals supported by sales tax revenues.	\$5,475,000	\$5,475,000	\$0	Current reserve policy is being met.
	Liability	Sick/Vac/App. Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated	Reserve is to cover 100% of accrued costs as determined by	\$416,000	\$416,000	\$0	Current reserve policy is being met.

			sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Finance Department.				
		Property & Casualty Reserve	Reserve was established to cover retained insurance exposure.	Reserve is to cover 100% of retained loss not covered by City's insurance policy.	\$415,000	\$415,000	\$0	Current reserve policy is being met.
Airport Fund	Emergency /Stabilization	Emergency Reserve	This is an appropriated reserve to fund unanticipated operating emergencies.	3% of Fund's operating budget.	\$8,300	\$8,300	\$0	Current reserve policy is being met.
		Operating Reserve	This is an unappropriated reserve for operating and capital	25% of Fund's operating budget.	\$427,190	\$71,303	\$355,887	Current reserve policy is being met.

			emergencies and revenue shortfalls.					
	Liability	Sick/Vac/A pp. Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$30,713	\$30,713	\$0	Current reserve policy is being met.
Transportation Fund	Emergency /Stabilization	Emergency Reserve	This is an appropriated reserve to fund unanticipated operating emergencies.	Reserve is set at \$100,000.	\$100,000	\$100,000	\$0	Current reserve policy is being met.
	Liability	Sick/Vac/A pp. Bonus Liability Reserve & Operating	The fund was established for liabilities assoc with accumulated	Reserve is to cover 100% of accrued costs as determined by	\$2,506,092	\$704,145	\$1,801,947	Current reserve policy is being met; adjusted

		Reserve	sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement and includes allocation for operating reserve.	Finance Department.				annually to reflect most recent estimates.
		Escrow Reserve	The fund was established to account for escrow balances.	Reserves is to cover 100% of escrow balances.	\$135,408	\$135,408	\$0	Current reserve policy is being met; adjusted annually.
Transportation Development		Operating Reserve	This is an unappropriated reserve for operating and capital emergencies and revenue shortfalls.	Reserve is set at \$25,000	\$644,887	\$25,000	\$619,887	Current reserve policy is being met.
Water Utility	Emergency/Stabilization	Emergency Reserve	This is an appropriated	3% of Fund's operating	\$262,000	\$262,000	\$0	Current reserve

			reserve to fund unanticipated operating emergencies.	budget.				policy is being met; adjusted annually as % of current operating budget.
		Operating Reserve	This is an unappropriated reserve for operating and capital emergencies and revenue shortfalls.	20% of Fund's operating budget (including cost allocation) over six -year planning time frame.	\$4,195,454	\$1,861,021	\$2,334,433	Current reserve policy is being met; adjusted annually as % of current operating budget.
	Bond	Bond Reserve	These reserves are established in accordance with bond covenant requirements for revenue bonds.	Reserve amount defined individually for each bond issuance, equal to approximately one year's annual debt payment.	\$6,487,178	\$6,487,178	\$0	Current reserve policy is being met (includes estimated reserves for 2001 bonds).
	Liability	Sick/Vac/A pp. Bonus Liability Reserve	The fund was established for liabilities assoc with	Reserve is to cover 100% of accrued costs as	\$568,115	\$568,115	\$0	Current reserve policy is being met.

			accumulated sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	determined by Finance Department.				
	Replacement /Maintenance	Barker Reserve	This reserve is to fund capital expenditures for the Barker Reservoir & Transmission facilities.	Annual contributions of \$50,900 increasing to \$203,600 in 2000 such that \$1,000,000 will be maintained per agreement with Public Service Co. dated May 7, 1984.	\$1,061,487	\$1,000,000	\$61,487	With annual contributions being made, reserve policy will be met in 2001.
Wastewater Utility	Emergency/ Stabilization	Emergency Reserve	This is an appropriated reserve to fund unanticipated	3% of Fund's operating budget.	\$185,000	\$185,000	\$0	Current reserve policy is being met; adjusted

			operating emergencies.					annually as % of current operating budget.
		Operating Reserve	This is an unappropriated reserve for operating and capital emergencies.	20% of Fund's operating budget (including cost allocation) over six year planning time frame.	\$4,264,813	\$1,305,554	\$2,959,259	Current reserve policy is being met; adjusted annually as % of current operating budget.
	Bond	Fund Bond Reserve	These reserves are established in accordance with bond covenant requirements for revenue bonds.	Reserve amount defined individually for each bond issuance, equal to approximately one- year's annual debt payment.	\$1,382,436	\$1,382,436	\$0	Current reserve policy is being met (includes estimated reserves for 2001 bonds).
	Liability	Sick/Vac/A pp Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick & vacation	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$410,036	\$410,036	\$0	Current reserve policy is being met.

			time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement					
Flood Control Utility	Emergency/ Stabilization	Emergency Reserve	This is an appropriated reserve to fund unanticipated operating emergencies.	3% of Fund's operating budget.	\$56,000	\$56,000	\$0	Current reserve policy is being met; adjusted annually as % of current operating budget.
		Operating Reserve	This is an unappropri- ated reserve for operating and capital emergencies.	20% of Fund's operating budget (including cost allocation) over six-year planning time frame.	\$2,453,193	\$391,491	\$2,061,702	Current reserve policy is being met; adjusted annually as % of current operating budget.
		Post-Flood Property	Reserve is for post -	Reserve is increased by	\$900,000	\$1,000,000	(\$100,000)	\$150,000 annually

		Acquisition	flood property acquisition in the event of a flood.	\$150,000 a year such that the fund will accumulate and maintain a level of \$1,000,000.				added to reserve to reach policy goal in 2002.
		Mapleton Mobile Home Park Reserve	This reserve will go towards funding the final payment for acquisition of Mapleton Mobile Home Prk due in 2007 per Deed of Trust dated 3/7/97.	Annual contributions of \$180,000 such that the fund will accumulate to \$1,260,000 in 2006	\$360,000	\$1,260,000	(\$900,000)	\$180,000 added annually to reserve to reach policy goal in 2006.
	Bond	Bond Reserve	These reserves are established in accordance with bond covenant requirements for revenue bonds.	Reserve amount defined individually for each bond issuance, equal to approximately one year's annual debt payment.	\$824,715	\$824,715	\$0	Current reserve policy is being met.

	Liability	Sick/Vac/ App Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$112,147	\$112,147	\$0	Current reserve policy is being met.
CAGID	Emergency/ Stabilization	Emergency Reserve	This is an unappropriated reserve to fund unanticipated operating emergencies.	10% of Fund's total operating uses.	\$228,119	\$228,119	\$0	Current reserve policy is being met.
		Natural Disaster Reserve	This reserve is required under TABOR.	3% of Fund's total sources as required by TABOR.	\$106,297	\$106,297	\$0	Current reserve policy is being met.
	Liability	Sick/Vac/ App Bonus Liability	The fund was established for liabilities	Reserve is to cover 100% of accrued	\$78,349	\$78,349	\$0	Current reserve policy is

		Reserve	assoc with accumulated sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement	costs as determined by Finance Department.				being met.
UHGID	Emergency/ Stabilization	Emergency Reserve	This is an unappropriated reserve to fund unanticipated operating emergencies.	25% of Fund's total uses.	\$66,933	\$66,933	\$0	Current reserve policy is being met.
		Natural Disaster Reserve	This reserve is required under TABOR.	3% of Fund's total sources as required by TABOR.	\$3,870	\$3,870	\$0	Current reserve policy is being met.
	Liability	Sick/Vac/ App Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick & vacation	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$4,796	\$4,796	\$0	Current reserve policy is being met.

			time, appreciation bonuses, and/or other employee benefits that result in liabilities upon termination or retirement					
Fleet Operations	Emergency/ Stabilization	Fleet Operations Fund Emergency Reserve	This is an appropriated reserve to fund unanticipated operating emergencies.	1% of Fund's operating budget.	\$21,220	\$21,220	\$0	Current reserve policy is being met.
	Liability	Sick/Vac/ App Bonus Liability Reserve	The fund was established for liabilities assoc with accumulated sick & vacation time, appreciation bonuses, and/or other employee benefits that result in liabilities	Reserve is to cover 100% of accrued costs as determined by Finance Department.	\$133,227	\$133,227	\$0	Current reserve policy is being met.

			upon termination or retirement					
	Replacement	Fleet Building Replacement Reserve	Reserve was established to cover building replacement.	Funds are budgeted at 2% annually of building replacement.	\$304,586	\$316,038	(\$11,452)	Policy will be in compliance by 2002.
Fleet Replacement	Replacement	Fleet Replacement Reserve	Reserve was established to level out the spending for the replacement of the City's vehicles	Policy is collect sufficient funds from the departments to replace vehicles as identified in replacement schedule.	\$1,073,243	\$1,073,243	\$0	Current reserve policy is being met.